

Name: _____

Date: _____

Quiz name: **Circular Flow Model**

1. The flow of goods and services to consumers is illustrated by which combination?

- ☐ (A) Business to Product Market to Households
- ☐ (B) Households to Product Market to Business
- ☐ (C) Product Market to Business to Factor Market
- ☐ (D) Factor Market to Household to Product Market



2. The payments for land, labor, capital, and entrepreneurial ability respectively are ...

- ☐ (A) Rent, profit, wages, interest
- ☐ (B) Profits, wages, interest, and rent
- ☐ (C) Rent, wages, interest, and profit
- ☐ (D) Wages, rent, profit, and interest

3. When the U.S. government purchases a submarine from a company, the government has made a major transaction in the

- ☐ (A) Factor market
- ☐ (B) Public market
- ☐ (C) Product market
- ☐ (D) Foreign exchange market

4. Which of the following is not a service provided by the government?

- ☐ (A) National defense
- ☐ (B) Parks
- ☐ (C) Shopping malls
- ☐ (D) Monuments

5. In the Product Market, what are Business owners giving to Households?

- ☐ (A) Resources
- ☐ (B) Money
- ☐ (C) Taxes
- ☐ (D) Goods and Services